

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, May 5, 2008

Present: Robert Beattie, Ron Estes, Charles Fletcher, U.L. Gooch, Dwight Greenlee, Willis Heck, John Hennessy, David Murfin, Tom Pryor and Bill Ward

Absent: Kevin Myles, Dr. Thom Rosenberg, Jay Russell

Airport Staff: Victor White, Brad Christopher, Sandy Coykendall, Kelly Fabrizius, Shannon Feltes, John Oswald

City Staff: Joe Allen Lang, First Assistant City Attorney

Others: Mike Carter, DMJM Aviation
Randy Blad, Hawker Beechcraft Services
Chip Winslow, K-State Landscape Department
Tony Barnes, K-State Landscape Department

Chairman Fletcher called the meeting to order.

Approval of Minutes

Mr. Beattie pointed out a correction from the April 7, 2008 minutes. The minutes showed Mr. Beattie as being absent, however then listed him as seconding the motion for approval of minutes.

Motion by Chairman Fletcher to approve the minutes of the April 7, 2008 Wichita Airport Advisory Board meeting as amended with the correction. Beattie Seconded. Motion carried unanimously.

Director's Report

Since Mr. White was originally scheduled for Jury Duty, Brad Christopher provided a briefing on several airport items.

The new Park and Ride Shuttle Lot is now open. It has been a smooth transition, the airport has not received any complaints and the equipment has worked well. There are still a few minor details to complete such as grass work and the installation of surveillance security signs. The old lot has now been de-commissioned. In addition to that one of the ideas Mr. White had is a cell phone lot. As you are coming down Air Cargo Road what were previously the handicap parking positions on the right side adjacent to the old Park and Ride lot, will be reconfigured into about 15-16 spaces. There will be signs for a new cell phone lot which will indicate that it is a cell phone parking lot, no unattended vehicles will be allowed and there is a one hour maximum time limit to park. People can park and sit in their car free of charge, read the paper and wait until

their party calls to let them know they have arrived. Mr. White said that a lot of the airports that have these have experienced less congestion in front of the terminal and less double parking and confrontational situations with police officers. This is a nice benefit to the public and maybe some point in the future it can be expanded and redesigned. The possibility of adding benches was also discussed.

Mr. Christopher said the equipment has finally come in and the airport is getting ready to embark on a recycling program in the Terminal Building. This has been done for years informally in the Administration Building, Building Maintenance and Safety; however there has never been a formal recycling program in the Terminal Building. The program should be running in about two weeks. There will be units in each of the concourses and in ticketing and baggage claim. There will be bins for newspapers and magazine collection, plastic bottles and aluminum and a trash receptacle in the same location. After the program starts, there is the possibility of expanding it and working with the tenants on their recyclables as well.

Mr. Christopher passed around a handout showing the new Pilot Information page on the website. After researching and surveying websites of other airports around the country, this page was patterned off of some of the best ideas found. It was intended for any pilot or flight crew flying in or out of Mid-Continent or Jabara Airport to be able to go to this site and have access to any information that might be needed to operate aircraft in or out of Wichita. This would include airport layout plans, links to NOTAM information and other useful websites for filing flight plans as well as obtaining weather information.

Mr. Christopher mentioned that airport vehicles now have a new Wichita Airport Authority logo on the side. Several options were looked at and the final design that was chosen was also put on a lapel pin that was given to each of the Board Members.

Mr. Christopher announced that in accordance with an FAA initiative from the Runway Safety Advisory Team there will be a continued upgrade on enhanced runway hold short markings. This is another one of the initiatives the FAA comes out with from time to time to try and cut back on runway and movement area incursions.

As reported at the last board meeting, Council Member Skelton is interested in learning about the airports' Wildlife Management Program. On May 14th there will be a brief presentation from the USDA discussing the background of the program, how it came to be and what the USDA does, followed by a tour around the airfield.

Mr. White added an update on the FAA's Reauthorization Legislation stating that nothing of significance has happened yet, however within the last week the Senate has agreed to start discussing it. There is also good news in that the Senate has agreed not to include user fees for general aviation in the bill as originally anticipated. However, the fuel taxes may be raised. Mr. White said he would keep the Board advised as the legislation progresses.

Valerie Wise was unable to attend today's meeting, however asked Mr. White to update the Board about the press release that came out last week on air fares. The good news is that the Federal Government's Bureau of Transportation Statistics issued a report primarily analyzing the

fourth quarter of 2007 and Wichita had the third largest drop of any airport of the top 100 in the country in terms of airfares last year. April's airline passenger traffic numbers are not yet in, however the preliminary word is that it is up about 10% which is good because the rest of the country is starting to go down while Wichita is still on an increase. This trend may not last due to the economy and the price of fuel and airlines merging and going bankrupt, however at least for now, this will be the 19th straight month of growth.

On May 7th Northwest will have its first departure to Detroit. There will be an inaugural ceremony at 8:00 a.m. in the terminal building which the Board is invited to.

On June 5th United is stopping its non-stop flight to Los Angeles. Passenger loads were low, and even with advertising efforts and promotional activities to get the word out, passengers were not filling up the flights.

Chairman Fletcher mentioned the use of solar panels at the airport in Fresno, California. The Fresno airport did a request for proposals for the installation of solar panels and a company called WorldWater and Solar Technologies, Corp. was the leading contender. Mr. White found out that this same company out of Boston is doing this at other airports in California too. One of the reasons California is taking the lead in this is because California has a State rebate program where both government and private industry agencies receive a kickback of a substantial amount of money. The City of Fresno agreed to take the State rebate and give it 100% to the solar panel company in exchange for them putting up the panels. The airport then signed a contract with this company for 20 years to guarantee the cost of the electricity that the airport would purchase. The Fresno airport ended up doing this at zero cost to the airport. Mr. White said that staff is interested in the idea and last week there were a couple of all day sessions with the Design Team on the new terminal project. One of the consulting engineering firms, PEC, has done some research into this from an engineering standpoint and it is very preliminary, however the idea is to put solar panels on the roof of the parking garage. PEC calculated roughly how many square feet of space that would be and if a certain size of solar panels was used, how many kilowatt hours would that generate per year in electricity and how much is the value of that versus the cost of the installation and any upkeep of the solar panels.

Mr. White said it has been discussed all along with this project that it should be "LEED" (Leadership and Energy Efficiency Design) certified. This is a national organization that rates projects from an architectural standpoint. The architects have already gone through and registered this project for LEED certification and now there is a complicated series of checklists to go through to see what things are being done that qualify for this. Solar generation is one of the major items and the other one is wind generation of electricity. Denver International has just signed a contract with a company to put in wind generating fields around the perimeter of the airport, however Denver has 50 square miles of airport property and it can be far away from the runways, Mid-Continent Airport does not have a good location to put a group of windmills. The engineers advised there is a smaller version of windmills that are being used for electricity generation, and those are being looked into.

Mr. Murfin said one thing to be aware of on the LEED designation, is for even a relatively small building project the fee the program charges can be a significant amount.

Mr. Greenlee said last month he mentioned the project in Oakland and what made that project feasible was the incentive received from the state government. Mr. Greenlee also mentioned that a few years ago airport staff discussed co-generation with the chemical plant south of here who owns a significant amount of land that could be a source of property to put up the windmills if an agreement could be reached. Cessna was also interested in co-generation as well as Learjet and the Post Office. At that time it was KG&E instead of Westar. Mr. Greenlee said that at the time KG&E was not totally supporting the co-generation idea, however he understands now that Westar would welcome it therefore those ideas might be worth exploring again. Mr. White agreed and said the local power companies are sometimes taking the lead on these types of activities.

Mr. Estes asked for an update on Frontier filing for bankruptcy. Mr. White said as was reported a few weeks back, Frontier filed for Chapter 11 Bankruptcy, however the reason given had nothing to do with Frontier's financial condition as a corporation. Frontier claims it was a legal maneuver because their credit card processing company announced it was going to do two things. The company was going to implement a new charge, called a holdback provision where it holds back a percentage of every airline ticket value and keeps that as collateral in the event something were to happen. The company was also going to almost double the amount required for the security deposit. The combination of those two events would have been a financial disaster for Frontier so by filing Chapter 11, it forestalled that process from going into place.

Mr. White said that Delta and Northwest have announced plans to merge, however there are still many levels of government scrutiny that has to take place including anti-trust issues from the Department of Justice as well as the Department of Transportation has to review it. Last week United and US Air also announced the possibility of plans to try the same thing. One of the reasons that the airlines are interested in merging now is that they would like to get it done before the change in administration in January because the feeling of the airlines is that it will be less likely to get approval from the new administration.

Mr. Estes asked if there was going to be a follow-up announcement on Cessna. Mr. White said he has not heard of any other forthcoming announcements from the agencies involved. The governor was in town a couple of weeks ago for a ceremony at Cessna. The Airport Authority's piece of it was the lease agreement and an interim letter of agreement has been proposed to Cessna that basically does two things. It acknowledges and assures to Cessna that the Airport Authority will enter into a new long-term 50 year consolidated lease for all of Cessna's properties, while at the same time recognizes that it will take time to put that lease together. Cessna has hired outside counsel to work with airport staff on crafting that agreement. The second part acknowledges that there is roughly 30 acres of property the Airport Authority owns that Cessna does not currently have under lease which is where a large portion of the Columbus plant is going to be located. Cessna will be allowed access to that site to start planning, testing, surveying and whatever else is necessary to move this project forward without having to wait until the contract is negotiated.

Hawker Beechcraft Services Lease Assignment

Mr. White mentioned that the Board had been briefed in previous meetings about the sale of the Hawker Beechcraft Services Fixed Base Operator (“FBO”) to Signature Flight Services. Since then the terms of the sale have been finalized and included with the Board Packet is a summary of the key terms. Mr. White introduced Randy Blad of Hawker Beechcraft Services who pointed out that there will be no loss of employment, in fact Signature plans to hire some additional staff, and there will be no loss of service. Hawker Beechcraft will remain on the field and will try to grow its maintenance and overhaul business and is looking forward to having Signature as a partner. This same arrangement is being made at seven airports across the country.

Mr. White said Signature Flight Services is the world’s largest chain of fixed base operators and it will be nice to have them on the airport, however, at the same time it is a little sad because Hawker Beechcraft Services has been a fantastic FBO. However, Hawker Beechcraft Services will be staying on the airport doing major business and will still be a significant tenant on the airport.

Chairman Fletcher said that the Minimum Standards Sub Committee met with Randy Blad last week regarding the sale and the Minimum Standards Sub Committee did not foresee any problems with it.

Motion by Chairman Fletcher to recommend to the Wichita Airport Authority (WAA) to approve the request for assignment of the primary FBO leasehold from Hawker Beechcraft Services (HBS) to Signature Flight Support, and recommends approval of the consent to sublease space for HBS maintenance business, and consent for HBS to sublease ground service equipment (GSE) shop to Signature Flight Support.

The WAAB further recommends that airport staff work with Signature Flight Support to develop a new, current and modern language primary FBO lease document between the WAA and Signature Flight Support to the mutual benefit of both parties, but with the same term, rates and charges as currently exists under the lease.

Greenlee Seconded.

Discussion ensued.

Mr. Murfin asked who requested the update of the lease. Chairman Fletcher said since the lease was outdated staff suggested updating the lease to make it more up to date and uniform. Mr. White said the current agreement with Hawker Beechcraft was entered into in 1975. There are 11 amendments to the lease and it is very hard to follow, so once Signature is here it will be rewritten and simplified into one document. Currently all that is being done is assigning the agreement from Hawker Beechcraft Services to Signature Flight Support.

Mr. Murfin suggested when the lease is being rewritten that there may be tradeoffs and not to limit the Airport Authority. Mr. Murfin further said that in Kansas City and other places where Signature has taken over several fees started being charged to the transient pilots. Mr. Murfin said he is not sure exactly what it is, but knows there was disgruntledness in Kansas City when

Signature took over and it is something to be aware of. Mr. White said there could be some attractiveness to Signature when doing the negotiations because the current agreement expires April 30, 2019, there will be 11 years left. Signature may be interested in a longer term, and if so, there would be a price for that longer term.

Chairman Fletcher requested to modify the motion to give leeway that if longer term leases are to be negotiated, then the fees could be modified.

Mr. Greenlee said he would accept that as a second.

Mr. Murfin asked if Signature had ramp fees. Chairman Fletcher said they were made aware that Signature does charge for those type of things and that a lot of pilots were not happy with it, however there were also lot of corporate pilots that it did not matter to. Mr. White said his only other comment is that there are three FBO's on the airport and it is a free market competitive situation and if Signature implements fees that the pilots do not like, the other FBO's may take advantage of that situation.

Mr. Murfin asked if there is anything in the current lease that prevents that. Mr. White said he does not believe that there is any mechanism under the current lease that would allow the Airport Authority to control the fees that an FBO charges to its customers. In talking to a number of other airports that are in the same situation with this transition, those airports all expressed the same concern that that there is a perception on the part of a lot of pilots that the fees are high, however, Mr. White said he does not know of a single airport that has the ability to control the price of a product. Mr. Murfin said he did not think the airport should, and believes the competitiveness with the three current FBO's would be appropriate as long as the minimum standards will provide the ability to add additional FBO's.

Mr. Pryor asked if the transition would promote general aviation on this airport. Chairman Fletcher said his opinion is that it will maintain the status quos. Chairman Fletcher said one of his and Bill Ward's concerns was that the service would be jet oriented and general aviation would not be serviced. Therefore, a lot of their questions had to do with coming in with a Cessna 182 that has a mechanical problem and would it be able to get serviced right away. Chairman Fletcher said that he was happy with the answers.

Mr. Ward added that he looked at it from the pilot's point of view as to when you taxi in to an FBO of what is going to happen, and pretty much it is going to remain the same.

Mr. Greenlee said he believes just the presence of another corporation on the airfield will increase competition to a certain degree and that may very well attribute to certain price reductions to the pilots and the corporate owners.

Mr. White said his recollection of the issue is that the Airport Authority does not have a technical right to deny the assignment of this agreement. Mr. Lang said it cannot, unless there is a basis for denial. Mr. White said in this case it just says the Airport Authority has to give its written consent to the assignment and it is being recommended that the Board approve the assignment so it can be taken to the City Council/Airport Authority to enable the action to take place.

Motion carried unanimously.

K-State Landscape Project for Mid-Continent Airport

Mr. Oswald introduced Chip Winslow and Tony Barnes, K-State Landscape Professors, who are here as a result of several months worth of visiting back and forth about a class project. For years Mr. Oswald had been trying to figure out a way to get K-State involved with respect to the foot traffic and landscaping components of the campus. He approached K-State last summer and discussed the idea of a landscaping class using the land side of Mid-Continent's airport campus for a class project. K-State liked the idea of the challenge of coming to the airport, interviewing tenants and then going back and putting together some ideas and drawings and using it as a real life example. There were 30 students who broke into groups and talked to seven different tenants including Professional Insurance Management, the Hilton, Hawker Beechcraft, Flight Safety, FAA, Yingling, Koch Aviation as well as airport staff, about what they think is the foot traffic and landscaping needs of the airport. Through some of the stories that the tenants told the students, it was determined that foot traffic is created by people who stay at the Hilton for an extended period and also by the tenants walking amongst themselves. The students are not asking for any kind of approval, however if there are ideas that make sense they are just interested in the Board's feedback. Mr. Oswald said the airport is committed to getting a sidewalk project developed up Airport Road and will see if there are other things that can be done in the next few years as well.

Mr. Winslow said this has been a great opportunity for the students to work on a real life project as well as an opportunity to get involved in the community. There were 30 students including both undergraduate and graduate students from all over the country. Mr. Winslow provided the Board a PowerPoint presentation showing the ideas the students came up with.

The class concentrated on planting design and how plants are integrated into the landscape, however also looked at how other features can be part of the solution. The students came out for an onsite analysis, talked to the operators, walked around the site, took photographs and got an overall feel for what was is going on. Then the groups of students came back to K-State and collaborated about what was learned. After the site analysis, the students began drafting their conceptual plan which ended up being worked into the final landscape plan. The students focused on the entry area, the corridor and the pond in front of the Hilton. The students came up with fairly consistent themes throughout. Such as things are getting old, there is limited parking, there is no safe or convenient way to get from one building to another, there is a need for recreation for people staying at the hotel, there is no sense of entry, signage is not very consistent, there are plant issues and the students were aware of the need to minimize wildlife. Mr. Winslow showed several of the students' proposals. Some of their ideas included more parking, an exercise trail, historical interpretations, more lighting, viewing platforms, roundabouts, signage, covered bench areas, and an enhanced pond and sitting area for the hotel. The proposals also showed different plant palettes that could be used in those areas.

Chairman Fletcher said there was a lot of very nice and interesting ideas and asked if there were any cost estimates. Mr. Winslow said that since this was an academic project, they did not get into the cost, Mr. Oswald told them to use their imagination, there was no limit, and that is how

the students approached it. The interesting thing is there were 30 students and there was a lot of consistency in their ideas which suggests that there may be something to them.

Tony Barnes said that campuses are typically pedestrian oriented and this campus is not right now. Since this is the side of the airport where people work every day and there are a lot of visitors where this is their whole view of Wichita, the students were trying to enhance that experience as well as bring back some of the history.

Mr. Hennessy said he thought the students did an excellent job and it is something that has been overlooked for many years. This provides an opportunity to look at the area and see where the shortcomings are.

Mr. Murfin asked what the airport's view was on observation decks. Mr. White said he would like one, however the hard part is determining a location for it. When the parking garage is built, it might be an ideal place to have an observation area. At other airports the top floor of the parking garage is typically the best place to take pictures of airplanes and if it could be made attractive enough it might be a nice place to do it. The architects are going to look into the possibility.

Mr. White thanked the professors and their students for the effort that was put in. The product is first rate and very much appreciated.

Aviation Fuel Farm Issues

Mr. White said last month he mentioned to the Board that the airport was thinking about the issue of aviation fuel. The aviation fuel farm was built in the early 1950's when the airport was built. It is all underground and has limited capacity for growth. One of the issues is that if there is ever a fuel shortage in terms of getting deliveries, the airport will only have a couple of days supply worth of fuel. The fuel farm for jet fuel is fed primarily by the Conoco Phillips pipeline coming into the airport and the general aviation fuel comes via truck so the airport wants to make sure it is doing all of the things it can to make sure that fuel is managed properly on the airport, especially with the price of fuel increasing.

Mr. Christopher said that as was mentioned at the last Board meeting, there is currently a Request for Proposals ("RFP") out for the management of the Bulk Aviation Fuel Storage Facility on Mid-Continent Airport. The schedule for the selection process is the proposals are due on May 8th, the interviews for short list of proposals will be May 22nd, contract negotiations should be finalized by June 5th and then the contract will go to the Airport Advisory Board meeting on July 7th and to the WAA on July 15th for final approval. A couple of things prompted this RFP. One is the current management agreement for the Bulk Aviation Storage Facility that was consummated in 1988 expired in 2003 and is on a five year holdover going month to month. It was a good time to get it back out on the street for a competitive proposal. There were also two studies done in 2007 which prompted the RFP. One was a facility inventory and recommendations done by Burns & McDonnell that provided specific, current information on the status of the 1954 vintage fuel farm, recommendations for the future and the cost estimates involved in keeping those facilities current. There was also a second study prepared by Airport Business Solutions to look at the fueling and the FBO's and included some very specific

recommendations. In addition to the local FBO's that have expressed interest in this contract, there were four outside nationally recognized firms that have expressed an interest as well.

Discussion ensued regarding the fuel storage facility arrangement at Mid-Continent Airport.

Mr. White said there is a lot of knowledge on the Board regarding fuel. He suggested as this process develops further the possibility of establishing a sub committee on fueling such as the Minimum Standards Sub Committee.

Garmin Lease

Mr. White said that staff has been working for over a year to convince Garmin to come to Mid-Continent and has been trying to determine the best location for the facility. Finally, 2140 Airport Road was chosen as the location. The building was constructed in 1953 and has gone through a number of tenants over the years. Garmin is going to lease it from the Airport Authority for a 10 year period to start out with. The building has been vacant since about 2004 and it has been difficult finding a tenant because it was used as a shop and it would take substantial dollars to renovate the building for use as an office environment. Garmin will invest its money to renovate the building to make it suitable for offices and shops and promises to invest a minimum of \$340,000 into the building. In exchange for Garmin's investment, it is being compared to what it would have been for fair market value in rent and so Garmin is going to be paying an amortization of that \$340,000 in rent over a ten year period, which means Garmin will not be paying any actual cash because that was paid up front for the renovation. Garmin will still be paying the land rent because the policy does not ever waive that. There will be option periods after the first ten years at which time Garmin would pay fair market value rental on the building.

This lease will be taken to the Airport Authority for approval tomorrow morning, however it was included as an agenda item due to the waiving of the rent and because Garmin is a world class tenant. Garmin will bring 6-12 employees to Wichita as a result of this so it is a small effort to help the economic community. This building will primarily be engineering support for the manufacturers in Wichita. Mr. White said this item does not require approval by the Board, however it certainly would not hurt if the Board did vote in case there are any questions.

Motion by Mr. Hennessy to recommend the Wichita Airport Authority approve the lease with Garmin. Mr. Estes seconded.

Motion carried unanimously.

Terminal Area Redevelopment Program Update

Mike Carter, DMJM Aviation, presented to the Board a PowerPoint presentation providing an update on the current schedule. Mr. Carter showed the overall site plan as well as various slides showing the layout of the food court, baggage claim system, ticketing area, mezzanine, security screening area, restrooms, front canopy, sidewalk area and the view from the Control Tower. The budget is generally \$150 million, however there is an additional reserve of \$10 million. The most current estimate did show the budget still at \$150 million, which can be maintained,

however there will be decisions to be made and the options will have to be considered very closely.

Mr. Pryor said that getting people through screening is biggest hassle in traveling and asked if there was any way to design that so people could get through it easier. Mr. White said it has to be designed and the equipment put in the way TSA says it needs to be installed. Even if there were more lines, TSA only provides a certain number of workers based on the number of passengers and Mid-Continent does not qualify for any more than 4 lines. If at some point, more than four lines are needed, there is a plan to knock out a wall and have more screening on the other side. Mr. Carter said these lines also work smoother if there is a long enough area for people to get their things in order.

Chairman Fletcher suggested the possibility of moving up the TARP presentation in the Agenda.

Other Business

The next WAAB meeting will be Monday, June 2, 2008 at 2:30 p.m.

Meeting adjourned at 5:41 p.m.

Kelly Fabrizius, Clerk